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AS AT NOVEMBER 30, 2007

November 2007 highlights

- The budgetary balance for November 2007 indicates that revenue is running $165 million ahead of expenditure.
- Budgetary revenue amounts to $5.2 billion, an increase of $852 million compared to last year. Own-source revenue stands at $4.1 billion, while federal transfers amount to $1.1 billion.
- Program spending is up by $222 million compared to November 2006 and stands at $4.5 billion. This increase is attributable, in particular, to the rise in spending relating to the health and social services network.
- Debt service stands at $551 million, down $35 million compared to last year.
- Payments to the Generations Fund amount to $26 million.

SUMMARY OF BUDGETARY TRANSACTIONS
(millions of dollars) **(Unaudited data)**

	November [1]		April to November [1]		*Update on Québec's Economic and Financial Situation*	
	2006 [2]	2007	2006-2007 [2]	2007-2008	2007-2008	Growth %
BUDGETARY REVENUE						
Own-source revenue	3 412	4 071	30 459	31 945	48 453	- 1.9
Federal transfers	931	1 124	7 287	8 762	13 262	20.3
Total	**4 343**	**5 195**	**37 746**	**40 707**	**61 715**	**2.1**
BUDGETARY EXPENDITURE						
Program spending	- 4 267	- 4 489	- 34 663	- 36 189	- 54 104	4.3
Debt service	- 586	- 551	- 4 573	- 4 597	- 6 989	0.9
Total	**- 4 853**	**- 5 040**	**- 39 236**	**- 40 786**	**- 61 093**	**3.9**
NET RESULTS OF CONSOLIDATED ORGANIZATIONS	**13**	**10**	**159**	**- 35**	**41**	—
REVENUE DEDICATED TO THE GENERATIONS FUND [3]	—	**26**	—	**207**	**453**	—
IMPACT OF THE ACCOUNTING REFORM	—	—	—	—	**- 663**	—
BUDGETARY BALANCE BEFORE PAYMENTS TO THE GENERATIONS FUND AND USE OF THE BUDGETARY RESERVE	**- 497**	**191**	**- 1 331**	**93**	**453**	—
Use of part of the budgetary reserve	—	**0**	—	**200**	**200**	—
Payments to the Generations Fund	—	**- 26**	—	**- 407**	**- 653**	—
BUDGETARY BALANCE [4]	**- 497**	**165**	**- 1 331**	**- 114**	**0**	—

1 This report does not reflect the changes in accounting methods announced in the reform of the government's accounting policies.
2 Some comparative figures for 2006-2007 have been reclassified for consistency with the presentation adopted in 2007-2008.
3 The Generations Fund began operations on January 1, 2007.
4 Corresponds to the consolidated budgetary balance for the purposes of the *Balanced Budget Act*.

Cumulative results as at November 30, 2007

Budgetary balance

- Consistent with the historical trend, the cumulative results for the first eight months of the year show revenue lagging expenditure.
- For the period from April to November 2007, the budgetary balance shows expenditure exceeding revenue by $114 million. This is an improvement of $1.2 billion compared to last year's results.

Budgetary revenue

- Budgetary revenue since the beginning of the year amounts to $40.7 billion, an increase of $3.0 billion compared to the same period last year.
- Own-source revenue stands at $31.9 billion, $1.5 billion more than as at November 30, 2006. This improvement is attributable in particular to economic growth, resulting in increased revenue from personal income tax and the sales tax.
- Federal transfers amount to $8.8 billion for the first eight months of the current fiscal year, an increase of $1.5 billion compared to the same period in 2006-2007.

Budgetary expenditure

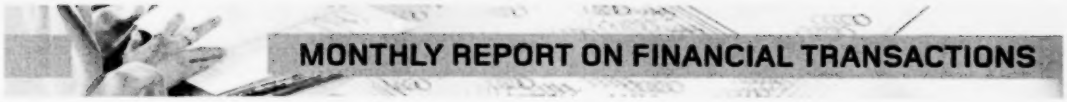
- As at November 30, 2007, budgetary expenditure amounts to $40.8 billion, an increase of $1.5 billion compared to last year.
- Program spending is up by $1.5 billion compared to last year and stands at $36.2 billion. The most significant changes are in the Health and Social Services ($838 million) and the Education and Culture ($479 million) missions.
- Debt service amounts to $4.6 billion, up $24 million compared to November 30, 2006.

Generations Fund

- Payments to the Generations Fund amount to $407 million, including the additional payment of $200 million made further to the use of part of the budgetary reserve.

Net financial requirements

- For the period from April to November 2007, consolidated net financial requirements stand at $1.9 billion, a decline of $1.5 billion compared to last year.
- This reduction is attributable chiefly to the $1.4-billion improvement in the consolidated budgetary balance.



CONSOLIDATED BUDGETARY AND FINANCIAL TRANSACTIONS

(millions of dollars) **(Unaudited data)**

	November			April to November		
	2006	2007	Changes	2006-2007	2007-2008	Changes
BUDGETARY REVENUE						
Own-source revenue	3 412	4 071	659	30 459	31 945	1 486
Federal transfers	931	1 124	193	7 287	8 762	1 475
Total	**4 343**	**5 195**	**852**	**37 746**	**40 707**	**2 961**
BUDGETARY EXPENDITURE						
Program spending	- 4 267	- 4 489	- 222	- 34 663	- 36 189	- 1 526
Debt service	- 586	- 551	35	- 4 573	- 4 597	- 24
Total	**- 4 853**	**- 5 040**	**- 187**	**- 39 236**	**- 40 786**	**- 1 550**
NET RESULTS OF CONSOLIDATED ORGANIZATIONS	**13**	**10**	**- 3**	**159**	**- 35**	**- 194**
Revenue dedicated to the Generations Fund	**—**	**26**	**26**	**—**	**207**	**207**
Use of part of the budgetary reserve	**—**	**0**	**0**	**—**	**200**	**200**
Payments to the Generations Fund	**—**	**- 26**	**- 26**	**—**	**- 407**	**- 407**
BUDGETARY BALANCE [1]	**- 497**	**165**	**662**	**- 1 331**	**- 114**	**1 217**
Revenue dedicated to the Generations Fund	**—**	**26**	**26**	**—**	**207**	**207**
CONSOLIDATED BUDGETARY BALANCE	**- 497**	**191**	**688**	**- 1 331**	**93**	**1 424**
Consolidated non-budgetary surplus (requirements)	217	- 358	- 575	- 2 009	- 1 970	39
CONSOLIDATED NET FINANCIAL SURPLUS (REQUIREMENTS)	**- 280**	**- 167**	**113**	**- 3 340**	**- 1 877**	**1 463**

1 Corresponds to the consolidated budgetary balance for the purposes of the *Balanced Budget Act*.

CONSOLIDATED REVENUE FUND REVENUE

(millions of dollars) (Unaudited data)

Revenue by source	November 2006	November 2007	Changes %	April to November 2006-2007	April to November 2007-2008	Changes %
BUDGETARY REVENUE						
Own-source revenue excluding government enterprises						
Income and property taxes						
Personal income tax	1 266	1 433	13.2	10 986	12 161	10.7
Contributions to Health Services Fund	388	433	11.6	3 373	3 508	4.0
Corporate taxes	290	376	29.7	2 547	2 644	3.8
Consumption taxes	915	1 081	18.1	8 345	8 955	7.3
Other sources	201	214	6.5	1 639	1 839	12.2
Total	**3 060**	**3 537**	**15.6**	**26 890**	**29 107**	**8.2**
Revenue from government enterprises	**352**	**534**	**51.7**	**3 569**	**2 838**	**- 20.5**
Total own-source revenue	**3 412**	**4 071**	**19.3**	**30 459**	**31 945**	**4.9**
Federal transfers						
Equalization	466	596	27.9	3 672	4 773	30.0
Health transfers	302	320	6.0	2 401	2 482	3.4
Transfers for post-secondary education and other social programs	88	119	35.2	694	924	33.1
Other programs	75	89	18.7	520	583	12.1
Total federal transfers	**931**	**1 124**	**20.7**	**7 287**	**8 762**	**20.2**
TOTAL BUDGETARY REVENUE	**4 343**	**5 195**	**19.6**	**37 746**	**40 707**	**7.8**

CONSOLIDATED REVENUE FUND EXPENDITURE

(millions of dollars) (Unaudited data)

Expenditures by mission	November 2006	November 2007	Changes %	April to November 2006-2007	April to November 2007-2008	Changes %
BUDGETARY EXPENDITURE						
Program spending						
Health and Social Services	1 971	2 200	11.6	14 819	15 657	5.7
Education and Culture	1 046	1 083	3.5	9 239	9 718	5.2
Economy and Environment	469	461	- 1.7	4 072	4 259	4.6
Support for Individuals and Families	420	445	6.0	3 417	3 544	3.7
Administration and Justice	361	300	- 16.9	3 116	3 011	- 3.4
Total program spending	**4 267**	**4 489**	**5.2**	**34 663**	**36 189**	**4.4**
Debt service	**586**	**551**	**- 6.0**	**4 573**	**4 597**	**0.5**
TOTAL BUDGETARY EXPENDITURE	**4 853**	**5 040**	**3.9**	**39 236**	**40 786**	**4.0**

For information on this monthly report, contact Luc Monty at 418 691-2225.
The report is also available on the ministère des Finances du Québec website: www.finances.gouv.qc.ca.